

**GUAM ANCESTRAL LANDS COMMISSION REGULAR MEETING MINUTES  
VIA ZOOM**

**September 22, 2021 • 2:10 p.m. to 3:58 p.m.**

**Notices were published in the Guam Daily Post on Wednesday, September 15, 2021  
and Monday, September 20, 2021**

**I. CALL TO ORDER**

The virtual, regular meeting of the Guam Ancestral Lands Commission was called to order at 2:10 p.m. In Compliance with Public Law 24-109, the Guam Ancestral Lands Commission announced the virtual meeting on Wednesday, September 15, 2021 and Monday, September 20, 2021 in the Guam Daily Post.

**II. ROLL CALL**

**Commission Members Present:**

Ronald F. Eclavea, Chairman  
Ronald T. Laguana, Vice Chairman  
Maria G. Cruz, Secretary/Treasurer  
Angela M. Camacho, Commissioner  
Anita F. Orlino, Commissioner  
Louisa F. Wessling, Commissioner

**Excused Absence:**

Jeffrey B. Rios, Commissioner

**Management and Staff Present:**

John T. Burch, Executive Director  
Cathi Blas, Administrative Officer  
Joey Leon Guerrero, Land Agent II  
Nicolas E. Toft, Legal Counsel, OAG  
Antolin Mendiola, Land Agent I Trainee, DOL  
Mara Perez, Administrative Aide Trainee, DOL

**Also Present:**

Melanie Mendiola, Chief Executive Officer/Administrator, GEDA  
Diego Mendiola, Real Property Manager, GEDA

**III. APPROVAL OF MINUTES**

**A. September 8, 2021 Regular Meeting – Summarization**

**Commissioner Wessling** moved to approve the minutes.

**Secretary/Treasurer Cruz** seconded the motion.

**Chairman Eclavea** called for a vote and said the motion passed.

**Commissioner Camacho** abstained from voting, because she had been unable to attend the September 8, 2021 meeting.

#### IV. EXECUTIVE DIRECTOR'S REPORT

The following are updates for the Guam Ancestral Lands Commission.

##### **Public Law 36-54 - General Appropriations Act of 2022:**

FY2022, the Commission continues to be financially independent from the General Fund. The 36<sup>th</sup> Guam Legislature appropriated \$408,553 from the Commission's Survey, Infrastructure and Development Fund for the Commission's operations with the passage of Public Law No. 36-54.

The Commission's request to include fifty percent of the AT&T lease proceeds into the SIDF was not included in the FY2022 General Appropriations Act. The Commission's request to include fifty percent of the AT&T lease proceeds into the SIDF was made to satisfy the Bureau of Budget and Management Research's position that, lacking the corresponding authorization in GCA, the use of funds above the \$290,500 lease proceeds from the Polaris Parcels is restricted even if the SIDF contains a balance sufficient to spend to the level contained in Public Law,

While the Legislature did not include the specific language the Commission requested, it provided an alternative that essentially allows the Commission to access the funds in the SIDF up to the appropriated level. The Legislature amended §1303.1 of Chapter 1, Title 5, GCA, "Exemption from BBMR Allotment Release Control." This allows the Commission to draw against its appropriation as needed to meet its obligations in accordance with a drawdown schedule that the Commission submits to the Department of Administration. In short, BBMR no longer controls the Commission's allotment releases.

We are waiting for DOA to inform us how this release from BBMR's allotment control will affect our current practice of refunding DOA the total amount of operational costs at the end of the fiscal year.

**Executive Director Burch** asked AO Cathi Blas to give the latest update on this matter.

**AO Blas** said they would continue operating as usual with the only difference being that they won't be going to BBMR. She said they would continue to use the same account number and in January they would be reimbursing the General Fund.

**Executive Director Burch** said when they re-established GALC last year, they started the practice of spending General Fund monies and then at the end of the Fiscal Year they reimbursed DOA. This is an alternative to what GALC wanted, but it's still good news. He said this meant he wouldn't have to battle BBMR to release funds to GALC.

**Chairman Eclavea** asked if BBMR no longer controls their allotment. If the language says exemption from BBMR allotment control.

**Executive Director Burch** said, yes, the language says exemption from BBMR allotment release control.

##### **Stipends:**

The language which raised the stipend cap up to \$250 for what could be earned per month for ten-year board or commission members was not included in the FY2022



General Appropriations Act. This provision which was included in the General Appropriations Acts of FY2019, FY2020, and FY 2021 expired at the end of each fiscal year.

For FY2022, the stipend to be compensated is mandated by 21 GCA §80103(e) which states, "Each Commissioner shall receive the sum of \$50.00 for attendance of each meeting of the Commission; provided, that such compensation shall not exceed \$100.00 per month."

**Chairman Eclavea** asked about the letter that Director Burch wrote to Speaker Terlaje.

**Executive Director Burch** said he hand delivered his letter regarding the stipends to the Speaker's office. There has been no response, yet, from the Speaker. However, the \$250 stipend was removed from the upcoming budget.

**Legal Services:**

Language that mandates that the Office of the Attorney General shall represent the Chamorro Land Trust Commission without charge in non-litigation and land registration matters is included in FY2022 General Appropriations Act, Chapter 7, Part 1 §6. The FY2021 General Appropriations Act contained an identical provision.

This provision allows the CLTC to withdraw from the Memorandum of Understanding between the OAG and the DLM, GALC and CLTC provided it is requested in writing with a resolution adopted by the CLTC. This affects the Commission because the GALC, DLM and CLTC have a joint MOA committing the three agencies to equally share the cost of our attorney. If one agency drops out of the Agreement, the remaining two will equally shoulder the cost. The cost of our attorney is approximately \$128,000 annually.

I was informed that the CLTC is preparing a letter informing the OAG to provide the services as mandated by law.

**Executive Director Burch** added that he and AO Blas figured out how GALC could shoulder the increased cost for Legal Services. He spoke with DLM's Director Borja, and he agreed to split the cost 50-50.

Thank you for the opportunity to present this update. Please let me know if further information is required.

**V. GEDA's PROGRESS REPORT – Presented by Diego Mendiola**

The following is a progress report on GEDA's efforts to manage Land Bank Trust properties as required by Section 1(i) of the MOU between GEDA and GALC Land Bank Trust:

- A. **Wettengel Junction – Northern Market, LLC (NM)**  
GEDA was able to contact Carlos Camacho via phone on 9/20 to ask that he responds to our August letter regarding his extension. Mr. Camacho indicated that he had only arrived just a few days prior from an extended off-island medical procedure and requested to allow him just a few more days to respond.
- B. **Apra Harbor Parcel No. 1 (Commissary Junction) – \$3,949.63/Month**  
KwikSpace\_– Tenant is current with its lease rents.
- C. **Apra Harbor Reservation F-12 – \$27,733.00/Month**  
Matson Navigation Company -- Tenant is current with its lease rents.
- D. **Lot Apra Harbor Reservation F-12-R2 -- \$500/Month**  
Trans Steel -- Tenant made a payment of \$600.00 on Sept. 2, 2021.
- Diego Mendiola** added that Mr. Pearson applied for GEDA's grant for small businesses.
- E. **Tanguisson Cable Landing Station, Dededo (Lot 10192) -- \$22,939.42/Month**  
AT&T -- Tenant is current with its lease rents.

**Tiyan Properties:**

- F. **Guam Environmental Protection Agency (GEPA) -- \$8,000.00/Month**  
No changes from last report.
- G. **DPHSS (WIC) - \$8,400/Month**  
The 1<sup>st</sup> Amendment to the MOU was submitted to DOA for registration however, DOA required that a line for GEDA's signature should be added, given that GEDA would be receiving payments from DPHSS (WIC). The signature line was added and the Amendment was re-submitted on Sept. 17, 2021.

**Other Items:**

- A. **RFP 21-011 – For Lease and Development of Land Bank Trust**  
**Property: Lot Apra Harbor Reservations, F-12-1, portion of F-12-2, and F-12-3, Polaris Point, Piti**  
1. RFP was issued on Friday, Sept. 17, 2021. Ad was published in the PDN.  
2. RFP proposal due date will be on Monday, Oct. 18, 2021.
- B. **RFP 21-012 – For Lease and Development of Land Bank Trust**  
**Property: Nimitz Hill Annex B-1, Parcel N10B-2, Municipality of Asan**  
1. RFP was issued on Friday, Sept. 17, 2021. Ad was published in the PDN.



2. RFP proposal due date will be on Monday, Oct. 18, 2021.

**Commissioner Wessling** asked where the notices for the RFPs were sent, to the Guam Realtors Association Office or to all the members offices?

**Diego Mendiola** said his instructions were to send them to the Guam Realtors Association Office.

**Commissioner Wessling** then asked if a commission structure of compensation on the RFPs was offered or if they were leaving it up to the realtor offices?

**Diego Mendiola** said what they normally do is to ask the offers to propose what they believe would be a fair compensation. They then negotiate after the proposal is received.

**Commissioner Wessling** asked if it would be a conflict of interest if her office brought in potential clients for the properties.

**Legal Counsel Toft** said, no, as long as the process was done correctly.

Should you have any questions, please contact Tony Arriola at 647-4332. *Si Yu'os Ma'ase'* for your continued support in generating revenues for the beneficiaries of the Trust.

## **VI. OLD BUSINESS**

### **A. GEDA MOU Status**

### **B. Other Investment Evaluation Service**

**Melanie Mendiola**, Chief Executive Officer and Administrator of GEDA, gave a presentation called, "MAXIMIZING TRUST RETURNS THROUGH INVESTMENT DISCIPLINE". She covered the following:

#### **Investment Discipline**

"In today's market, investing with discipline involves selecting investments that are in line with an overall asset allocation and diversification strategy based upon your needs, goals, time frames and your ability to assume risk." – Gerber Kawasaki

"Investment discipline begins with understanding the best asset mix that will help you to achieve your objectives. A personalized risk assessment is required to select the mix that will keep the portfolio in your comfort zone. That is, how to minimize risk and meet your required return. No strategy is perfect."

1. Have a long-term Investment Philosophy.
2. Form a prudent asset allocation based on this philosophy.
3. Select low-cost funds to represent asset classes in the allocation.
4. Maintain this portfolio through all market conditions.
5. Don't change the asset allocation due to recent market activity.
6. Don't hold back on new investments while waiting for market clarity.

- *Forbes*, "Six Rules to Disciplined Investing", October 6, 2015

#### **Risks of Investing**

1. Market Risk

2. Inflation Risk
3. Reputation Risk

### **How to Manage Risk**

1. Investment Policy Statement
2. Performance Reviews and Understanding Benchmarks

## **BACKGROUND**

### **Investment Accounts currently under management**

1. General Operating
2. SSBCI
3. GDFA

### **Fund Management**

1. Raymond James
2. BGIS

### **Type of Investments**

1. Fund Managers
2. ETF's

## **TENATIVE DEPLOYMENT TIMELINE**

### **FY2022**

1. GEDA managed
2. Draft IPS
3. Time horizon assessment

### **FY2023-FY2024**

1. GEDA managed
2. Adopt IPS
3. Set up investment committee
4. Issue RFP Investment Advisor
5. Establish core portfolio
6. Quarterly updates; annual reviews
7. Training

### **FY2025**

1. GALC managed
2. Update IPS
3. Maintain core portfolio
4. Explore alternative investments
5. Quarterly updates
6. Develop distribution strategy based on time horizon
7. Training



## FY2026

1. GALC managed
2. Update IPS
3. Maintain core portfolio & AI
4. Distributions to beneficiaries
5. Quarterly updates
6. Training

## Next Steps

1. Memorandum of Understanding
2. Meeting with future "investment committee"
3. Commission education meetings

**Chairman Eclavea** asked if GEDA was prepared to issue an MOU.

**Melanie Mendiola** said they would consult their legal counsels about looking into amending their current MOU. After that she recommended having a working session with Director Burch, Chairman Eclavea and GEDA to work out the details to present at a GALC Board Meeting.

**Commissioner Wessling** reminded everyone when she met with Deloitte they stressed that GALC needed to commit to a timeframe for investments. She talked about the importance of having a groundwork in place before considering any investment opportunities, including the ones from GHURA and Purestone. She found Melanie Mendiola's presentation very helpful.

**Commissioner Orlino** said they needed to work on Rules and Regulations for GALC as well as an IPS.

**Secretary/Treasurer Cruz** agreed with Commissioner Orlino.

## **VII. NEW BUSINESS**

**Vice Chairman Laguana** suggested bringing up the Farmers' Co-op in the next meeting. He said their lease agreement ends in October.

**Executive Director Burch** said GEDA was taking the lead on this matter. He said he could provide the legislation on it.

## **VIII. PUBLIC COMMENTS**

## **IX. ANNOUNCEMENTS**

**AO Cathi Blas** said their Purchase Order for Advertisement expires September 30<sup>th</sup>. She said they had to wait for GSA to open the AS400 window before they could submit a requisition for a PO (Purchase Order). She said they couldn't schedule the next meeting until after GSA opened the window.

**Secretary/Treasurer Cruz** asked if they could tentatively schedule the first meeting for October 13<sup>th</sup>.

**Executive Director Burch** said they couldn't work on scheduling the next meeting until they get the money to advertise it from GSA.

**Secretary/Treasurer Cruz** asked if they could schedule it for October 27<sup>th</sup>.

**Executive Director Burch** said that seemed more doable, but they needed the money available before they could work on it.

**Chairman Eclavea** said to keep them informed of when they could schedule the next meeting.

**X. ADJOURNMENT**

**Chairman Eclavea** thanked everyone and adjourned the meeting at 3:58 p.m.

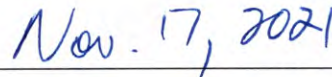
**Additional Remarks:** The summarization of the GALC Board Meeting Minutes has been approved by the board due to the shortage of GALC Staff. Please refer to the Office of Public Accountability (OPA) Website for the GALC Board Meeting Minutes Audio Recording for detailed information.

**APPROVED BY:**

**DATE APPROVED:**



**Ronald F. Eclavea, Chairman**  
Guam Ancestral Lands Commission

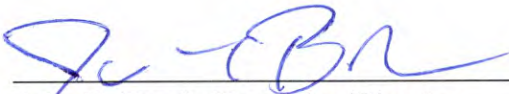


**TRANSCRIBED BY:**



**Mara Perez, Administrative Aide**  
Guam Ancestral Lands Commission

**REVIEWED AND APPROVED BY:**



**John T. Burch, Executive Director**  
Guam Ancestral Lands Commission